



[BILLING CODE: 6750-01S]

**FEDERAL TRADE COMMISSION**

**[File Nos. 172 3066 and 172 3067]**

**Creaxion Corp. and Inside Publications, LLC; Analysis to Aid Public Comment**

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed Consent Agreements.

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**SUMMARY:** The consent agreements in these matters settle alleged violations of federal law prohibiting unfair or deceptive acts or practices. The attached Analysis to Aid Public Comment describes both the allegations in the complaint and the terms of the consent orders -- embodied in the consent agreements -- that would settle these allegations.

**DATES:** Comments must be received on or before December 13, 2018.

**ADDRESSES:** Interested parties may file comments online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY**

**INFORMATION** section below. Write: “Creaxion Corp. and Inside Publications, LLC; File Nos. 1723066 and 1723067” on your comment, and file your comment online at <https://ftcpublic.commentworks.com/ftc/creaxionconsent> or

<https://ftcpublic.commentworks.com/ftc/insidepublicationssettlement> by following the instructions on the web-based form. If you prefer to file your comment on paper, write “Creaxion Corp. and Inside Publications, LLC; File Nos. 1723066 and 1723067” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-

5610 (Annex D), Washington, DC 20580; or deliver your comment to: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex D), Washington, DC 20024.

**FOR FURTHER INFORMATION CONTACT:** Karen Mandel (202-326-2491), Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR § 2.34, notice is hereby given that the above-captioned consent agreements containing consent orders to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, have been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreements, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for November 13, 2018), on the World Wide Web, at <https://www.ftc.gov/news-events/commission-actions>.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before December 13, 2018. Write “Creaxion Corp. and Inside Publications, LLC; File Nos. 1723066 and 1723067” on your comment. Your comment - including your name and your state - will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Website, at <https://www.ftc.gov/policy/public-comments>.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/creaxionconsent> or <https://ftcpublic.commentworks.com/ftc/insidepublicationssettlement> by following the instructions on the web-based form. If this Notice appears at <http://www.regulations.gov/#!/home>, you also may file a comment through that website.

If you prefer to file your comment on paper, write “Creaxion Corp. and Inside Publications, LLC; File Nos. 1723066 and 1723067” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex D), Washington, DC 20580; or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex D), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will be placed on the publicly accessible FTC Website at <http://www.ftc.gov>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or

other individually identifiable health information. In addition, your comment should not include any “trade secret or any commercial or financial information which . . . is privileged or confidential” – as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2) – including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on the public FTC Website – as legally required by FTC Rule 4.9(b) – we cannot redact or remove your comment from the FTC Website, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

Visit the FTC Website at <http://www.ftc.gov> to read this Notice and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before December 13, 2018. For information on the Commission’s

privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

### **Analysis of Proposed Consent Orders to Aid Public Comment**

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an agreement containing a consent order as to Creaxion Corp. and Mark Pettit, and an agreement containing a consent order as to Inside Publications, LLC of Georgia and Christopher Korotky (“respondents”).

The proposed consent orders (“orders”) have been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the orders and the comments received, and will decide whether it should withdraw the orders or make them final.

This matter involves the respondents’ endorsement and advertising format practices with respect to the advertising and promotional campaign they created and implemented for FIT Organic Mosquito Repellent. The complaint alleges that the respondents violated Section 5(a) of the FTC Act by misrepresenting that certain endorsements reflected the independent experiences or opinions of impartial users, and by deceptively failing to disclose that certain endorsers had material connections with the endorsed product, namely that they were paid spokespersons, they were reimbursed for the cost of the product, or they owned or were employed by Creaxion, the public relations firm hired to promote the product. The complaint also alleges that the respondents violated Section 5(a) by misrepresenting that certain advertisements were independent

statements and opinions of impartial publications when they actually were paid commercial advertising.

The orders include injunctive relief that prohibits these alleged violations and fences in similar and related conduct. The provisions apply to any product or service.

Part I prohibits misrepresenting the status of any endorser or person reviewing the product or service, including that he or she is an independent user or ordinary consumer of the product or service.

Part II prohibits any representation about any consumer or other endorser of such product or service without disclosing, clearly and conspicuously, and in close proximity to that representation, any unexpected material connection between such endorser and any respondent, or other individual or entity affiliated with the product or service. Each order defines the terms “clearly and conspicuously” and “unexpected material connection.”

Part III prohibits misrepresenting that paid commercial advertising is a statement or opinion from an independent or objective publisher or source.

Part IV requires the respondents, when they use endorsers to advertise or sell a product or service, to take certain steps to make sure the endorsements comply with Parts I and II of the orders. Such steps include clearly notifying endorsers of their representation and disclosure responsibilities, creating a monitoring system to review endorsements and disclosures, and terminating any endorser who fails to comply with Parts I and II. Part V requires the respondents to distribute the orders to certain persons and submit signed acknowledgments of order receipt.

Part VI requires the respondents to file compliance reports with the Commission, and to notify the Commission of bankruptcy filings or changes in corporate structure that might affect compliance obligations. Part VII contains recordkeeping requirements for personnel records, advertising and marketing materials, and all records necessary to demonstrate compliance with the orders. Part VIII contains other requirements related to the Commission's monitoring of the respondents' order compliance.

Part IX provides the effective dates of the orders, including that, with exceptions, the orders will terminate in 20 years.

The purpose of this analysis is to aid public comment on the proposed orders. It is not intended to constitute an official interpretation of the complaint or proposed orders, or to modify in any way the proposed orders' terms.

By direction of the Commission.

Donald S. Clark,  
Secretary.